REPUBLIC OF BOTSWANA

STATE OF THE NATION ADDRESS

BY

HIS EXCELLENCY MR. FESTUS G. MOGAE
PRESIDENT OF THE REPUBLIC OF BOTSWANA

TO THE

OPENING OF THE FOURTH SESSION
OF THE NINTH PARLIAMENT

"Achievements, Challenges and Opportunities"

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GABORONE

Introduction

1. Mr. Speaker, it is once more my honour and privilege to address the Nation, on the occasion of the first meeting of the Fourth session of the Ninth Parliament. As we meet here today, let me again emphasise, that this hallowed hall belongs to the people of Botswana.

2. As I have noted on previous occasions, the progress our country has made over the past forty-one years has been the product of not only our collective efforts, but also common vision. The goals that unite us remain far greater than any differences we may have. The opening of this assembly of the people is, therefore, always a tangible manifestation of our collective values and aspirations.

3. Our democracy was founded on the basis of a Constitution, which continues to guarantee the civil liberties and fundamental freedoms of our citizens, including freedom of association, expression, and religion. Our nation's collective progress has rested in our continued commitment to work within the legal framework of our Constitution and the values it upholds.

4. The separation of powers among the three arms of Government - the Executive, Legislature and Judiciary – is fundamental. Just as the family three legged pot, standing firm on all its three legs, has provided sustenance to each one of us from the cradle to maturity, so it is with our three arms of Government. Without the support of any one leg, the pot would tumble.

5. It is all three arms of Government, standing together, working together, that have ensured our progress. This does not mean that they shall always be in full agreement. Differences in perception among and between the three branches of Government are inevitable features of any mature democracy. And let us be proud of the fact that we are, indeed, a mature democracy.

6. Let us also recognise that the three arms of Government will only deliver outstanding results to the nation if they work in harmony. We should never allow our differences to blind us to our common purpose of serving the aspirations of Batswana.

7. This country is well known for nurturing and promoting an independent judiciary. The courts of this country, at all levels, exercise their functions without any interference. Batswana and residents of

this country have faith in our Judiciary. Justice has been brought nearer to the people by the appointment of Resident Magistrates and the construction of Magistrate Courts throughout the country.

8. Mr. Speaker, a number of national issues were the subject of extensive debate during the past sitting of this House. In the interest of seeking common ground, I shall say a few words about two – the issue of Cost Sharing for some public services, such as education, and privatisation. It should be recalled that cost- sharing features prominently in the 1994 Revised National Policy on Education. This policy, together with the Privatization Policy, were accepted by Parliament after extensive national consultations.

Cost Sharing

9. Government introduced cost sharing in all sectors of the economy as part of public sector reform aimed at sustaining service provision. Today we are faced with many challenges, which require additional public resources. At the same time donor, support has diminished as a result of our relative economic success and consequent classification as a middle-income country. This circumstance calls for greater self–reliance.

10. If we are to maintain the level and standard of services we have attained thus far, there is need for those who can, to contribute towards provision of public services. Those in need will continue to be assisted.

11. The issue of cost sharing in education should be viewed in this context. The payment of school fees for primary education was abolished in 1981. This was followed, in 1984, by the abolition of secondary school fees. It has thus been over two decades since the fees were first abolished and the introduction of limited cost sharing.

12. Government continues to fully fund primary education. With respect to secondary and technical education, parents are required to make a contribution of only 5% towards the education of their children. This contribution amounts to **P300** per annum out of the **P6,000** annual cost for a Community Junior Secondary School student, **P450** per annum out of the **P9,000** annual fees for a senior secondary and **P750** per annum out of **P15,000** per annum for a technical college student.

13. Furthermore, parents who have more than one child at a secondary school or technical college are also assisted if their income is below the minimum wage of **P550** per month. Where the family has two to three children, the family pays for one child while the others are exempted. With four to six children, the family pays for two and the rest are exempted and where there are seven or more children, the family pays for three and the others are exempted.

14. Where these children are at different levels, (junior secondary, senior secondary and technical college) the family pays for the child or children at the lowest level while those at the higher levels are exempted. Those parents who cannot genuinely afford are exempted.

15. Education has consistently enjoyed the largest share of our national budget; for the past ten years over 25% of total spending. Compared to cost sharing in other areas, the contribution by parents towards education is the smallest.

16. I therefore wish to appeal to the nation to understand, that we all need to play a part in securing the achievements we have made thus far in the provision of good education for our children. I am pleased that the majority of Batswana realise that they have to make a contribution in this respect.

Privatisation

17. Mr. Speaker, Government remains committed to Privatisation in line with the Privatisation Policy Master Plan. I wish to re-assure the public that the process of privatising will be done through consultation with concerned stakeholders, as well as in a transparent and fair manner.

18. Let me also state, that if we delay the process of privatisation of public enterprises, whose services can be better performed by the private sector, we will be doing ourselves a great disservice. Whilst privatisation will, at times, entail short-term costs, such as retrenchments, we must not be oblivious to its long-term benefits in terms of efficiency, sustainable employment, as well as higher quality services. Resources saved can be used for more pressing priorities.

19. I must also report to this Honourable House, that negotiations with SA Airlink about the privatisation of Air Botswana were unsuccessful; but this does not detract from Government's

determination to privatise the airline if the terms and conditions are right.

Keeping the Promise

20. Fellow citizens, I have run my part of our country's relay towards its national vision. I should, therefore, account for the privilege you accorded me of leading our beloved country.

21. As I assured you when I took the Oath of Office, I will leave with no tormented conscience. As President, I placed the welfare of all Batswana at the centre of everything I did. Prudent, transparent and honest use of national resources for your benefit has been my guiding principle and code of conduct.

22. I have ensured that our nation does not live beyond its means. Let me also assure you that I will not leave you and our children groaning under the yoke of intolerable debt and despair.

23. In the running of our nation's affairs, the decisions I took, with the support of my Government colleagues, were dictated by common aspirations and principles, the attainment of our national vision, and my Party's promises. I have not allowed political expediency and the pursuit of populism to cloud my judgment and service to the nation.

24. For the road to political expediency and populism may be lined with cheering crowds; but in the end, we cannot escape the cold hard facts of our limitations as a developing country. As sure as the merry–maker must account for his excesses with a splitting hangover the morning after, an even harsher punishment awaits a nation that spends unwisely in pursuit of immediate gratification rather than sustainable development.

25. Our planning process, which is built on grassroots consultations, adherence to the Plans and everyone awaiting their turn of project implementation has stood us in good stead in terms of discipline and prudent resource use.

26. Where the obligations of leadership so dictated, I have not shied away from taking responsibility. It is with this in mind that I toured the country to appeal to the nation to accept the recommendations of the Balopi Commission in the spirit of give and take. I am very pleased that true to our nature, the spirit of compromise prevailed.

27. In my Inaugural Address in 1998, I promised that I would work with you towards the attainment of our national objectives, and to do my best to help you realize your dreams.

28. I pledged before you that we would together build a united and prosperous nation, where every citizen in our land would be entitled to his or her fundamental rights and freedoms. I also promised to ensure:

- That our public service remained one of the best in Africa, if not the world;
- That the private sector's participation in the economy would be increased;
- That my administration would maintain respect for the rule of law, transparency and fair play, respect for the sanctity of contracts and private ownership of property; and
- That our national principles of Democracy, Development, Self-Reliance, Unity and Botho would be my moral compass.

29. These were the promises I made; and I have used my best endeavours to keep.

30. Fellow citizens, we can say with pride and confidence, that our country is today a vibrant, competitive nation of opportunity. Whatever our challenges, and we have many, ours is a land of hope and promise. Many positive outcomes are there for all to see.

Achievements and Challenges

31. As citizens of a mature democracy, it is important for us to continuously reflect on our collective achievements, challenges and opportunities.

32. As I cautioned in 1998, and on numerous occasions since, we are still faced with many challenges. Besides such priorities as reducing unemployment, eliminating poverty and overcoming HIV, we should revive our spirit of personal and collective responsibility in tackling negative social trends, such as the disturbing levels of violence and crime, substance abuse and decline in our traditional modesty.

33. However, in meeting all of our challenges, we have the advantage of building on the solid progress of the last decades.

Economy

34. Notwithstanding the adverse impact of the HIV/AIDS epidemic, in particular, over the past decade, our nation has continued to enjoy positive economic growth, accompanied by reduced poverty and an increase in domestic employment. As Batswana, we can take some comfort in the stable economy we have maintained, and general improvement in living standards that it has engendered, as reflected in rising incomes and household expenditure.

35. At the same time, we all recognise that much more progress will be necessary if we are to meet our Vision 2016 goal of building a productive and prosperous Botswana for all.

36. While the Botswana economy grew annually at an average rate of 9% during our first four decades, we were only able to reach about 4% growth at the beginning of the current (NDP 9) planning period. Real growth is now projected at 6.4% for the remainder of the period.

37. In terms of vocational opportunities, total domestic employment increased by 59% since 1998; from about 345 thousand to 550 thousand jobs. By way of contrast, at independence local employment stood at only 14 thousand. According to the 2005/2006 Labour Force Survey, unemployment has declined modestly, from 21.5% in 1996 to 17.6% in 2006.

38. Continued economic growth has contributed to a steady reduction in poverty from 59% in 1986 to 47% in 1994 to our latest, 2004, figure of 30%. Poverty levels are projected to fall further to 23% by 2009. Our progress in this area has earned us the accolade of being this continent's leader in poverty reduction. But, clearly, we still have some way to go.

39. In recent years, we have also been able to control the rate of inflation, despite a sharp rise in the cost of such critical imports as petroleum. This year's inflation rate, which has been hovering at around 7%, is now at the upper end of the Bank of Botswana's target. Inflation is projected to further ease in the coming year.

40. Such progress as we have achieved can, in part, be attributed to our now widely recognised record of maintaining and enhancing a conducive environment for domestic and foreign investment, through our longstanding commitment to sound macro-economic management,

coupled with democratic good governance. Over the past decade, this has earned us increasing international recognition.

Global Benchmarks

41. Mr. Speaker, in an era of increased globalisation it should come as no surprise, that the state of our nation, for better or for worse, has become a topic of outside interest. In this respect, a growing body of comparative analysis further confirms, that with respect to many critical indices, the state of our nation rests on a solid foundation of sustained achievement.

42. While some critics may persist in perceiving only our failings, many independent analysts and institutions affirm our country's positive socio-economic performance, without also neglecting where we may be lagging behind. I shall cite but a few examples.

43. Of late, various studies sponsored by the World Economic Forum have consistently placed us in either first or second place on our continent in terms of our global competitiveness, quality of public institutions, and sustainable development. These findings have been further buttressed by the corresponding studies of such institutions as the United Nations Economic Commission for Africa, the World Bank Institute, and most recently the inaugural report of the Mo Ibrahim Foundation.

44. The World Bank Institute's recently released report "Worldwide Governance Indicators 1996-2006", ranked our country number one in Africa, followed by Mauritius and Cape Verde. This measures such broad areas as human rights and accountability, political stability, public service delivery, regulatory quality, rule of law and control of corruption.

45. Our record in the control of corruption has, of course, also been confirmed on an annual basis since 1998 by Transparency International. This achievement is in no small part due to the multiple safeguards we have put in place, which include such relatively new institutions as the Directorate on Corruption and Economic Crime (DCEC), Public Procurement and Asset Disposal Board (PPADB) and the Ombudsman, as well as our constitutionally entrenched provision for independent oversight by the Auditor General, Parliament and the Judiciary. We should, however, avoid complacency by maintaining our commitment to "zero tolerance" for corruption at all levels of society.

46. In the category of political stability, the World Bank Institute currently ranks us number 16 out of 212 countries. Stability has been a factor in the high sovereign credit ratings we have maintained with Standard and Poor's and Moody's Investor Services, as well as the low risk assigned to our country by global insurance brokers such as AON.

47. Over the past decade, our country has also been a consistent leader on the continent in the areas of economic freedom and openness, as measured by such diverse and respected bodies as the global Economic Freedom Network, Freedom House, the Carnegie Endowment, the Heritage Foundation, the Wall Street Journal, as well as the World Economic Forum. The Democracy Research Project at the University of Botswana has also commended many of our democratic processes.

Global Marketing

48. Where possible, we have sought to take advantage of such favourable comparative ratings in order to internationally market our potential. Leaders from Botswana, including myself, are periodically requested to share our country's experience with others. We have accepted this not because we wish to brag about our achievements, but in the enlightened self-interest of selling our country's potential.

49. Such engagements are, of course, only useful if they are followed up. It is for this reason that over the past decade we have established such strategic public sector agencies as the Botswana Export Development and Investment Authority (BEDIA), the International Financial Services Centre (IFSC), and the Botswana Tourism Board. These are meant to supplement the broader outreach efforts, being undertaken on an ongoing basis, by appropriate Ministries and such additional non-government stakeholders as the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM).

50. For its part, since its establishment in 1998, BEDIA has helped attract over P400 million worth of investments, including expansions of existing enterprises. This has resulted in the creation of over eight thousand new jobs. BEDIA has further embarked on the Export Development Programme (EDP), targeted at Botswana based manufacturing companies that have the capacity or potential to export. So far, 17 companies are currently enrolled on the programme.

51. Government, working with BEDIA has also approved the Botswana Brand, through which Botswana will be differentiated from other countries and repositioned as a destination of choice for investors.

52. While we have done reasonably well in creating a stable macro-economic environment, the cost of doing business in Botswana unfortunately remains a serious challenge.

53. Notwithstanding these and other challenges, Botswana can continue to grow as a vibrant and competitive nation of opportunity through entrepreneurship development, improved labour productivity, an enhanced skills base, increased investment and the scaling up of implementation of Public Service Reforms with focus on customer satisfaction.

Labour

54. Mr. Speaker, sustained economic development is not possible in the absence of a well-motivated, as well as productive, workforce. This fact, along with our broader commitment to social justice, was the basis of Government's decision to soon extend minimum wage protection to the household domestic and agricultural sectors. Legislation will also be introduced to prorate severance benefits according to the number of years served.

55. Over the past decade, labour relations have been transformed because of our ratification of the core ILO Conventions, more especially those relating to freedom of association, the right to organise and collective bargaining. This step was followed by legislative reviews as a result of which public officers are now unionising to create appropriate structures for collective bargaining.

56. Improvements have also been introduced in the trade dispute resolution system, in order to make it more impartial and expeditious. To this end, a panel of arbitrators has been established. In addition, instead of two steps of mediation within the Labour Department, there is now only one-step, following which a matter goes to the Industrial Court. These measures call for the mediation of disputes to be accomplished within 30 instead of 120 days.

57. Mr. Speaker, having outlined what government is doing to promote harmonious labour relations; I wish to register my concern about certain developments. The current multiplicity of trade unions,

for example, makes communication and collective bargaining in the workplace difficult.

58. While on the issue of trade unionism, I would like to re-assure the labour movement and workers that this Government recognises trade unions as essential institutions of workplace democracy, and indeed participatory democracy at the national level. We also recognise that trade unions may not always agree with Government on policy matters.

59. What is regrettable is the extent to which some union leaders appear to pursue political careers under the guise of trade unionism. Given that genuine trade unions will naturally represent workers from across the political divide, they should avoid being hijacked by personal and partisan political interests. This in no way, however, precludes union leaders from expressing views on matters with a bearing on workers' interests.

Gender

60. During my administration, advances have been made through the review of laws that discriminated against women in order to ensure, that they participate fully in our economy. We have, in particular, sought to strengthen the economic security of women in such areas as land, property, inheritance rights, employment and access to credit and markets.

61. Legislative and policy measures that have been taken include amending the Affiliation Proceedings Act in 1999 to make it possible for a person other than the mother to institute proceedings under the Act; Public Service Act in 2000 to recognise sexual harassment as misconduct; and enactment of the Abolition of Marital Power Act in 2004, where the common law principle of marital power was replaced with the principle of equality of spouses married in community of property.

62. In the senior public sector, female representation now stands at 41%. These include the Attorney General, Director of Public Prosecutions, Permanent Secretaries and Heads of Departments and Parastatals and Ambassadors.

63. I am also pleased to note that, according to this year's Experian-Grant Thornton International Business Report, our private sector is making similar progress. The same report ranked Botswana 7th in its

Global Survey of Women in Senior Corporate Management. At 31% our score in the Survey was well above such other global leaders as the United States (23%), Sweden (22%) Canada and the UK (both 19%), to mention but a few.

64. Today, we can also be proud of the fact, that in one of the few areas where we have lagged behind the rest of the world, the recruitment of women into the military, the first intake of women in the Botswana Defence Force enrolled a few months ago.

65. On a more sombre note, violence and abuse against women remain high. Addressing this scourge calls for more public education and proactive law enforcement, as well as legislative measures, such as those envisaged in the proposed Domestic Violence Bill.

66. Our progress towards achieving gender equity at the top can in part be attributed to our success in ensuring gender balance at all levels of our education system. This accomplishment has been recognised internationally by the United Nations Educational, Scientific and Cultural Organisation (UNESCO), whose 2004 Report entitled "Gender and Education for All" cited Botswana, along with Namibia, for having achieved statistically perfect Gender Parity Index Scores for male/female enrolment.

Education

67. Mr. Speaker, as I noted in this year's Botswana Day message, my optimism about the future of our country is in large part grounded in the sure knowledge that we have become a much more educated and informed nation.

68. At independence, a small minority of our population was literate, while only a handful had progressed beyond primary school. Since then significant transformation has taken place, with many Batswana achieving higher educational qualifications.

69. Over the past decade, we achieved a 100% transition rate from primary to junior secondary education. The transition rate from junior to senior secondary education now stands at 63%. This will soon increase with the opening of Good Hope Senior Secondary School, in January 2008 and additional senior secondary schools at Mmadinare, Mogoditshane, Nata and Shakawe, planned for 2009. At this rate, it is possible for us to achieve 100% transition to post junior secondary education by 2015.

70. Access to tertiary education also continues to grow. The total number of students studying at various institutions with Government support currently stands at 35,000.

71. Given the high cost of external placement, the development of the local private tertiary education sector is a welcome development. The savings made from placing students in these institutions means more students can be sponsored at the tertiary level.

72. In the context of global trends towards knowledge-based economies, the growth of higher education also has the potential of contributing to our efforts to promote economic diversification. But, this will only occur if local institutions achieve world-class standards. It was to ensure just such an outcome, that Government created the Tertiary Education Council and Botswana Training Authority (BOTA).

73. The Botswana College of Distance and Open Learning (BOCODOL), which was established in 1998, has also improved access to learning opportunities for many, with an enrolment of 20,000 learners.

74. The crown jewel in our efforts will be the establishment of the Botswana International University of Science and Technology (BIUST). I must however admit my disappointment that we have not made as much progress on this project, as we originally planned. We, nonetheless, remain committed to enrolling the institution's first cohort in 2009.

Entrepreneurship Development

75. Achieving our vision of a more prosperous and productive nation will require talented and innovative entrepreneurs, as well as dedicated and skilled workers. The Citizen Entrepreneurial Development Agency (CEDA) was expressly established to promote entrepreneurial development, as well as provide finance to local businesses.

76. CEDA's efforts in this regard are complemented by the Local Enterprise Authority (LEA), which was established to promote a culture of entrepreneurship, as well as the sustainable growth of the SMME sector. Since 2001 over 4,000 small scale entrepreneurs countrywide have been trained. In addition, over 1,600 employees of different co-

operative societies have been trained in areas of accounting, management and supervision, marketing and product development.

77. Our efforts to promote citizen empowerment have been further buttressed by the Local Procurement Programme, which has since its inception channelled the local purchase of over P4 billion worth of goods and services.

Business Facilitation and Market Access

78. Government continues its efforts to create a conducive environment for business. In this regard, we have over the past years undertaken a number of reforms, which are already having a positive impact.

79. In 2003, we simplified the procedure for company registration through the new Companies Act. As a result, the time taken to register a company has been reduced and the procedures for licensing companies simplified.

80. The Industrial Development Act was amended to reduce the waiting period for licences from one month to one week. The Act also provides for issuance of manufacturing licences for an indefinite period, subject to payment of an annual fee. It also provides for decentralising the issuance of licences for SMME manufacturing businesses to local authorities.

81. The Copyright and Neighbouring Rights Act was also amended to better protect the copyright of artists against piracy and infringements.

82. We continue to create and enhance market access for goods and services produced in our country, through bilateral and multilateral trade negotiations. While this presents an opportunity for diversifying our economy, it also poses the challenge of competition as we are expected to reciprocate in market access. It is imperative; therefore, that Batswana should produce goods and services that can withstand this competition.

83. Non-Bank financial institutions are now gaining prominence because of our efforts to promote financial services. Currently, the non-banking financial system's assets are valued at about 38 billion Pula. As a result, we have decided to establish an autonomous Non-bank Financial Institutions Regulatory Authority.

84. We are also in the process of establishing a Botswana Innovation Hub to promote high-tech industry.

Mining

85. Over the past decade, the mining sector has continued to make the largest single contribution to the economy. Mineral revenue rose from P4.68 billion during 1997/98 to P13.3 billion during 2006/07.

86. During the same period, mineral exploration activities have intensified. Aeromagnetic surveys were completed over much of central and northern Botswana, resulting in an upsurge of private sector interest in these areas. The Mupani gold prospect east of Francistown was discovered, while coal bed methane was reported in the Lephephe and Mmashoro coal deposits.

87. In order to diversify the economy and promote economic growth, Government is engaged in initiatives to derive additional value from the mineral sector. The Botswana Metals Refinery Project ("Activox Project") near Phoenix Mine, which is now under construction, is a leading example of steps being taken to beneficiate our minerals before they are exported. This will result in Botswana exporting Copper and Nickel of London Metal Exchange grade instead of matte as is the case now.

88. The construction of the Diamond Trading Company – Botswana, building in Gaborone is nearing completion. This is an important milestone in the history of our diamond industry since its operation will provide an opportunity for our infant diamond cutting and polishing industry to grow. To date, sixteen diamond-cutting companies have been granted licences, fourteen of which are already operational, employing about 2,000 people.

89. Botswana started exporting coal into the SADC region in 2003. Since then export, tonnage has risen from just over 14 thousand tonnes to nearly 77 thousand tonnes last year. A coal washing plant, which will further boost coal exports, is due for completion in 2007. The region's increasing demand for power presents us with an opportunity to develop our vast untapped coal resources, which have the potential of addressing impending power shortages.

90. The Government is looking forward to the implementation of two major thermal power projects in Botswana; these are the Morupule

Power Plant expansion project and the Mmamabula Energy Project. The combined effect of these two projects is to increase the annual production of coal in Botswana from just under a million tonnes to over 10 million tonnes.

Media

91. As I approach the end of my Presidency, I am encouraged by the fact that I shall leave behind an indigenous media industry that is in a far stronger position than I found it. Both the public and private media have grown over the past decade.

92. The number and circulation of private newspapers and magazines has more than doubled. This has included the emergence of new community oriented, as well as national, periodicals. Whereas a decade ago there was no private daily newspaper, today there is. Where there was no mass circulation Sunday newspapers, today there are at least two.

93. A decade ago, we had no private radio stations. Today we have three, which have all been licensed to broadcast nationally. Our two public radio stations have also expanded their services.

94. By the same token, a decade ago we had no national television station. With the advent of BTV, now we do. We also now have a licensed private television station, along with a growing number of satellite television services.

95. By the end of 2009, some 95% of our population should have access to both radio and television transmission through the ongoing national transmitter project.

96. The development of broadcasting services has been in accordance with a Broadcasting Act that was finalised and approved at the beginning of my administration in consultation with industry stakeholders.

97. The practical partnership that has thus been nurtured between communications stakeholders and Government is further evidenced by our fruitful discussions in other areas from Broadcasting and ICT Policy, to professional self-regulation, to establishing mechanisms for the overdue protection of intellectual property or copyright.

98. Such initiatives can ensure the emergence of a vibrant and professionally mature media culture, which is a pre-requisite for any society to successfully compete in the global marketplace.

Communications and ICT

99. Ten years ago, Batswana were barely online, while cell phones were new and exotic. Today more and more of our citizens are utilising various digital information and communications technologies in their work and play. Indeed, in digital capacity and other aspects of ICT we are now consistently ranked by such bodies as the World Economic Forum and the International Telecommunications Union as among the continent's leaders, while we are on the global cutting edge with respect to cellular telephony. There are presently about 1.3 million (1,290,692) mobile telephones in use and the number is increasing.

100. Our country has, indeed, experienced what one United Nation's report lauded as a "telecommunications revolution". Since 1998, tele-density for both mobile and fixed lines has grown from less than 10% to over 60%**.** This has been facilitated by a deliberate programme on the part of Government to develop backbone infrastructure through the Trans-Kalahari optical fibre project. As a result, we have funded the rollout of telecommunications services to more than 200 rural villages.

101. It was in partial recognition of the transformative nature of new information technologies, that we also established the Ministry of Communications, Science and Technology. From its inception, it was given a clear mandate to develop policies and programmes to achieve our goal of making Botswana a more productive, as well as informed nation.

102. Government is committed to improving public access to public information. This requires upgraded capacity. We have, therefore, established a Government Communications and Information System (GCIS), whose purpose is to facilitate the capacity of Government as a whole to provide information in a more proactive, coherent and authoritative manner.

103. We are also working to deliver more and better online services. I am happy to report that the uptake of electronic communication within government is progressing well.

104. The Government Data Network has been expanded to cover towns and villages across the country, with over 20 thousand users to

date, providing e-mail facilities, a government Intranet Service, as well as access to the Internet. Several electronic systems have since been introduced making use of the Network, such as the Government Accounting and Budgeting System, the vehicle licensing system, and the customs system. A larger project for e-government to make all critical government services available online for the public will soon commence.

105. E-government goes hand-in-hand with projects to make computers and Internet access available to the ordinary citizens of this country. Community Information or "*Kitsong*" Centres are providing ICT services, including access to online Government services, to Batswana in both rural and urban areas.

106. The recently launched i-PARTNERSHIP programme further offers computers and Internet at affordable prices to unemployed youth and government employees for home use. Ministries are also working together to provide broadband Internet access to all junior and senior secondary schools in the country, a project that will be completed during NDP 9. It is important to have our children grounded in IT skills at an early age if we are to remain competitive.

Agriculture

107. Mr Speaker, agriculture remains a priority, despite its relatively small contribution to our overall GDP. This is because of the sector's importance to the livelihoods of our rural population in particular, as well as its strong backward and forward linkages with the rest of the economy.

108. In addition to existing NAMPAADD programmes, opportunities for increasing production are now being created by utilizing, among others, wastewater. The programme is also focusing on diversification of the production base by incorporating non-conventional crops such as olives and grasses for fodder.

109. As Honourable Members will be aware, we have also launched the Young Farmers Fund to stimulate and support youth participation in agriculture. It is expected that young entrepreneurs in agriculture will give impetus to the commercialisation of the sector. To support this initiative, young entrepreneurs will receive coaching and practical exposure.

110. My Government has also re-launched two support schemes; namely the Arable Lands Development Programme (ALDEP) and the Livestock Management and Infrastructure Development (LIMID). Both programmes are being monitored to ensure they benefit the targeted farmers and the nation as a whole.

111. We have further undertaken to restructure our livestock industry, along with the Botswana Meat Commission. Government has thus considered a study on the long-term viability of the livestock sector. Its approved recommendations are being implemented.

112. I am pleased to report that Botswana has been successful in eradicating Tsetse fly. We were awarded "The last fly medal" by the African Union in January 2007 in recognition of this achievement, which now serves as a model for other countries.

113. Government is also committed to the conservation of our agricultural resources. Gene banks of our indigenous flora and fauna are in place. Our research efforts have also yielded livestock and crop varieties, which are suited to our environment.

Electrification

114. Mr. Speaker, the percentage of people directly connected to electricity has increased from 12% in 1998 to 46% today. A total of 114 villages were electrified, while electricity networks in 29 villages were extended. By the end of NDP 9, an additional 145 villages will also be electrified.

115. In order to promote affordability, the Government has relaxed payment terms for customer connections. Financial resources have also been secured from the Global Environmental Facility to implement solar electrification in rural areas to complement further grid extension.

Water

116. Mr. Speaker, notwithstanding severe drought, the provision of clean water across the country has been pursued with vigour. The capacity to transfer water via the North South Water Carrier has significantly improved water supply to the Greater Gaborone Area and surrounding villages.

117. This year, construction of the Ntimbale Dam in the North East District was completed and the construction of Dikgathong, Thune and

Lotsane Dams in the Central and North-East Districts is to start in the coming months.

118. The upgrading of the water supply in Kanye, Molepolole and Gantsi was completed by 2000. Sanitation schemes have been completed in Mochudi, Tlokweng, Mogoditshane, Tonota/Shashe, Gantsi, Serowe, Mahalapye and Palapye. These projects have improved access to clean water for many and have reduced the risk of water borne diseases.

119. Measures are in hand to ensure that backup supplies are available in the event of supply disruptions, such as severe drought. This effort includes projects in Ramotswa and Palapye, where underground water will be treated, and the Masama well-field development.

120. Pump testing of production boreholes is also ongoing to augment water supply to villages in the northern Kgalagadi and southern Ghanzi Districts. Other groundwater projects include Bobonong and Botlhapatlou.

121. Over the past ten years, private water connections have increased by 40%. Having increasingly brought water to our people, we look forward to the day when all our people will have water in their homes, as is already the case for about three-quarters of our urban population.

122. Increased access to water, of course, creates its own challenges, as well as opportunities in a semi-arid and drought prone country such as ours. In this respect, I cannot over-emphasize the need for all of us to maximise our conservation efforts.

Roads

123. Mr. Speaker, another major achievement has been the completion of the national ring road. This was the culmination of decades of efforts to link up all the parts of the country. Since its completion, more emphasis has been given to upgrading capacity on existing roads and addressing traffic bottlenecks.

124. Government is now in the process of rehabilitating the main North-South highway (A1) and the Nata-Kazungula road. A bridge is also to be built over the Zambezi at Kazungula to provide fast through road connections between Botswana, Zambia and Zimbabwe. These

initiatives are helping to establish a regional trade corridor linking Botswana with countries to the North, which offer new growth opportunities.

Rail and Air Transport

125. After a period of uncertainty and belt tightening there are now prospects for railways to play a major part in the country's economic diversification. In this context, Government has in recent years renewed the railway track infrastructure and began to reform and downsize Botswana Railways in order to increase its efficiency and commercial orientation.

126. With the prospect of new mines becoming operational, a dramatic increase in railway traffic is anticipated, which should move Botswana Railways towards greater profitability. The new traffic could also create opportunities to expand the rail network by developing links to Namibia and South Africa. This could, in turn, promote Botswana as a regional rail hub.

127. Mr. Speaker, the increase in air traffic over the past decade has started to outstrip the capacity of Botswana's airports. Work is therefore now underway to upgrade the terminals and runways of the main airports. This will enable them to handle increased passenger throughputs using larger aircraft.

Other Developments

128. Since 1998, population centres have been transformed, as state of the art hospitals, schools, shopping malls and office blocks have been developed. These have been complemented by other services. Members of Parliament have also been provided with offices in their constituencies as well as in Gaborone.

Land Allocation

129. To improve the efficiency of the Land Boards, Government continues, amongst other initiatives, to provide them with suitable office accommodation. A total of 36 offices were constructed with five more nearing completion.

130. Since 2001, the Land Boards have allocated over 168 000 plots for all land uses, while in urban areas 7,000 plots have been made available. We continue to acquire tribal land for village and urban expansion.

131. A total of 22,000 hectares of freehold land have been acquired to augment tribal land. Freehold land has also been acquired for expansion of our towns such as Lobatse. We are currently negotiating with Bakwena and Balete for the expansion of our capital Gaborone. Cadastral Surveys have been done, and our challenge remains the provision of infrastructure.

132. To improve our record keeping and land management, we have introduced the Tribal Land Information Management System and the State land Information Management System. Of the 52 Land Boards and Sub-Land Boards, 25 have so far been computerized. Six of the eight urban centres have been computerized.

133. We have also registered significant achievements in our housing programmes for the low-income groups with the introduction of Self Help Housing Agency (SHHA) and poverty alleviation targeting housing. So far, about P270 million has been spent on both programmes, which have benefited a significant number of people.

Health and HIV/AIDS

134. Since independence, Government has remained committed to providing for the health needs of all citizens. As a result, today well over 95% of our population lives within 15 kilometres of a public health facility.

135. Life expectancy at birth rose from 48 years in 1966 to 65 years in 1991. By 2001, however, it had declined to 56 years, largely because of the HIV/AIDS epidemic. In this respect, I am especially pleased to report that our death rate is now once more declining. This turnaround is a result of our proactive efforts in HIV/AIDS, prevention, treatment, care and support.

136. We have made progress in reducing mother-to-child transmission from 40% to 6%, the number of home-based care patients from 12,000 to 4,000, testing over 98% of pregnant women, treating over 90,000 people out of an estimated 100,000 people and reducing the rate of infection.

137. I shall have occasion to report on AIDS in detail on the World AIDS Day. I note and commend Parliament's initiative and will myself make proposals to them when they shall have completed their consultations.

138. Mr Speaker, Government continues to reinforce interventions to prevent child morbidity and mortality. The strategies employed include the strengthening of routine immunization coverage, intensified social mobilization activities, the training of health workers and improved disease surveillance, to mention but a few.

139. Over the past decade we managed to exceed the WHO recommended target of immunizing at least 90% of children under the age of five against diseases such as measles, polio, TB, and hepatitis B.

140. We remain committed to reduction of maternal morbidity and mortality through continuously expanding provision of reproductive health services. While the WHO estimated our maternal mortality rate as up to 300, deaths per 100 thousand live births in 1996, our facility based maternal mortality rate for 2006 was 167 per 100 thousand.

Public Sector Reforms

141. Mr. Speaker, Government has undertaken a number of public sector reform initiatives, all with a view to increasing overall economic efficiency and effectiveness. However, the public service must re-double its efforts in order to meet rising expectations and to continue to earn the trust of the people. While there has been much reform activity, there is still room for improvement.

142. In addition to the on-going public service reforms, other measures to improve efficiency include the introduction of Public Private Partnership (PPP), out-sourcing of some public services to the private sector and the rationalization of some public enterprises to avoid duplication of roles.

Local Government

143. Mr. Speaker, a vibrant democracy has to be responsive to people's needs at the local level. Government, therefore, accords high priority to the development of Local Authorities and traditional leadership. In 2001, Government appointed a Commission to review the effectiveness of the structures and organization of local government institutions as well as central government departments at the local level. The result of this was, among others, the establishment of Chobe District and the sub-districts of Moshupa and Tonota in order to bring services closer to the people.

144. Following extensive consultations with all stakeholders under the Balopi Commission, a wider representation of Batswana in the Ntlo Ya Dikgosi has also been achieved by raising the number of representatives from 15 to 35.

Environment

145. Mr. Speaker, the future of this planet and its inhabitants is dependent on how well we care for the environment. In 1990, we adopted the National Conservation Strategy for sustainable management of the environment and natural resources. However, the institutional framework to deliver this strategy was weak. That is why, in 2002, my Government established the Ministry of Environment, Wildlife and Tourism.

146. The challenges identified in the Strategy, namely lack of adequate waste management and degradation of the environment and range resources, are still with us. I note, however, that significant strides are being made to address them. These include the enactment of the Environment Impact Assessment Act, which requires certain measures to be taken in our development planning to ensure that such developments do not harm the environment.

147. Regulations are now in place to control the harvesting of veld products for commercial purposes to ensure their sustainable utilization.

148. Environment and natural resources management policies and legislation have been reviewed, including the drafting of Community Based Natural Resources Management (CBNRM) Policy recently approved by Parliament, which seeks to empower communities in the management of resources.

149. Success in some of these areas has brought new challenges. For instance, our success in managing and securing a growing viable population of elephants, currently estimated at over 150,000 from under 60,000 in the 1990s, has caused increased wildlife-human conflicts and damage to the environment.

Tourism

150. We have identified tourism as an engine of growth. Our country is endowed with wildlife and wilderness, which is a draw card for visitors. For us to grow the industry further, we need to diversify the product on offer. In this context, the Ministry of Environment Wildlife

and Tourism has identified new lodge sites in the western and southern parts of the country.

151. A major study has been carried out with the assistance of the World Travel and Tourism Council to determine the contribution of tourism to the economy and its potential for further development and growth. The study estimates that tourism could be contributing as much as 9% to the economy overall, against the current estimate of 4 to 5%.

Safety and Security

152. Mr. Speaker, another impediment to our wellbeing is rising crime. The safety and security of all residents and their property, along with the securing of our borders, are central to our crime prevention strategies. Road traffic accidents, robberies, murders, violent and intrusive crime, theft of livestock as well as trans-national organized crime are major areas of concern.

153. Our law enforcement agencies, the Botswana Police, Directorate on Corruption and Economic Crime (DCEC), Local Police and others, work collaboratively to combat crime and apprehend criminals. International cooperation is also key. My Government is determined to bring down the rate of crime by enlisting public support, strengthening legislation and the capacity of law enforcement agencies. In this regard, a special BDF volunteer force and additional Botswana Police special constables will be deployed in various parts of the country to combat crime.

154. It is also my ardent hope that the new Liquor Act will contribute to the reduction of road traffic accidents. Other measures include the establishment of the air wing for the Police Service as well as re-enforcing intelligence operations.

155. The strategies in place will make Botswana more secure and peaceful. Nevertheless, we have to remain vigilant and respond to potential security threats with tenacious determination.

Youth, Sports and Culture

156. In looking back at what has been achieved over the past decade, it is a special pleasure for me to observe the increased recognition our country has been receiving as a result of the accomplishments of various citizens in the fields of arts, entertainment and sports.

157. The creation of a dedicated Ministry of Youth, Sports and Culture is in no small part a recognition of our nation's coming of age in these diverse fields of human endeavour.

158. From our Kuru painters to our new generation of filmmakers, from our up and coming musicians to our writers and athletes, we have witnessed a flowering of creativity and competitive success.

159. While the flowering of our arts is intangible, if undeniable, the improved performance of most of our sports codes can be measured by their success in international competitions. Over the past decade, we have been united in our excitement at seeing our senior and junior football teams' stand up to such formidable competitors as South Africa, Egypt, Cameroon, Japan, and Serbia. This year our National under 23 team made history by qualifying for the Group stage of the Olympic Games, while returning from the Four Nations Tournament in China with gold medals.

160. At the All Africa Games, and more recently Special Olympics, our athletes also came back with multiple Gold medals. In volleyball, we are currently second in the region in both men and women categories, while in boxing we are ranked number one. Sporting codes such as karate, chess, and others have also done us proud.

161. The youth play a critical role in the development process hence government's continuous effort to improve and strengthen youth empowerment programmes. Under the out of school youth grant, for example, over P36 million has been disbursed between 2002 and 2007. This amount is in addition to the billions of Pula we invest in the education of our youth.

Botswana and the International Community

162. Mr. Speaker, the pursuit of our national interest dictates closer cooperation and harmonization of policies and programmes at bilateral and multi–lateral levels. It is in this respect that over the past ten years as President, my administration increased its external diplomatic representation with the opening of missions in Switzerland, Australia, India, and Nigeria and upgraded our Consulate in Kenya to a full diplomatic mission.

163. While the opening of diplomatic missions and increasing interaction with the rest of the world is admittedly costly, the value of

good relations and goodwill between and among nations is immeasurable. The web of friendships and solidarity that we have nurtured must be maintained for the good of our country.

164. A case in point is the recent debates surrounding the draft UN Declaration on the Rights of Indigenous Peoples. Botswana, acting in solidarity with other countries, had serious reservations on some of the Declaration's provisions, which were a threat to the sovereignty of nations, challenged the authority of elected Governments and undermined national unity. We managed to have the offensive parts of the Declaration removed only because of our solidarity with others.

165. Similarly, we took a lead as the world's most diamond dependent economy, in the establishment of the Kimberley Process to protect the reputation of diamonds, and to assure the international community that our diamonds were for development. I am pleased to report that we were able to safeguard the sale of our key resource, diamonds, and provision of education to our children, provision of treatment to our fellow citizens living with HIV, infrastructure and hope for the future.

166. To those who would rather adopt a financial balance sheet assessment of international relations, I wish to explain that we do gain materially from our active interaction with other countries. In this respect let me report that although, we were excluded from programmes such as African Growth and Opportunity Act (AGOA) due to our middle income status, we succeeded in qualifying for the programme because we made a strong case to the US authorities. To date, exports generated by AGOA amount to P 1.4 billion.

167. President Bush's Emergency Plan for AIDS Relief (PEPFAR**)** programme alone, from which we benefited in the amount of P 470 million this year, represents a net gain over what we invest in travelling to the USA to lobby for such assistance. In 2008, our allocation from PEPFAR will be P 601 million. However, Mr. Speaker it is best to examine the benefits of interacting with the international community beyond the limited horizon of financial returns.

168. Botswana has continued to enhance its international profile. In this respect, I note with appreciation that my predecessor Sir Ketumile Masire has been an emissary of peace in a number of African countries. The tragic loss of our beloved soldier *Major Gaolatlhe Tiro*

is a painful reminder of the high cost we pay as responsible members of the international community. May His Soul Rest in Peace.

169. On the regional front, I note the limited progress that we have been able to register as SADC in areas such as the regional power pool, control of animal diseases and others. There is no alternative to closer cooperation as a region. We are too small to make it on our own. I am confident that SADC will do its best to eliminate conflicts to enable our organization to re- focus its attention on development issues in line with its primary mandate.

170. I must, however, express my anxiety at the identity crisis which continues to bedevil SADC, namely that of multiple membership of regional organizations. I am confident that my fellow SADC heads will resolve this challenge in the near future.

171. Regarding the African Union, I note with optimism the priority the organization accords such critical issues as good governance and the resolution of conflicts. My Government is of the view that Africa cannot realistically rush to set up one Union government over–night. We need to adopt a gradualist approach to a continental government through the strengthening of our regional economic groups as the building blocks for closer cooperation.

172. I am encouraged by the emergence of partnerships such as the Tokyo International Conference on African Development (TICAD), Africa/China, Africa/EU, Africa/Germany, Africa/France and others. Such collaboration is strengthening cooperation and a better appreciation of Africa's challenges.

173. Mr. Speaker, I wish to take this opportunity to thank all the many countries and organizations that have supported our development efforts and extended their valued friendship to us. I ask all our friends to give the same degree of support and cooperation to my successor.

Vision 2016

174. I am confident that if Batswana implement Vision 2016 with renewed vigour and determination as well as uphold its values, the lives of our people will improve significantly, both materially and qualitatively.

Conclusion

175. Mr. Speaker, in accordance with the Constitution, I will leave the leadership of our country to His Honour the Vice President – a patriot, who I am sure will carry the mantle of leadership with distinction, as he has previously done.

176. I do not take sole credit for the substantial achievements I have just outlined, as no individual, however determined, can develop a country without the support of Cabinet colleagues, one's party, other political parties, traditional leadership, religious organizations, the private sector, Non-Governmental Organisations, civil society, worker organizations, the media, academia and a vibrant citizenry. As the American leader Theodore Roosevelt said in April 1899,

"In the last analysis, a healthy nation can exist only when the men and women who make it up lead clean, vigorous, healthy lives; when the children are so trained that they shall endeavour, not to shirk difficulties but to overcome them; not to seek ease, but to know how to wrest triumph from toil and risk. The man must be glad to do a man's work, to dare and endure and to labour; to keep himself, and to keep those dependent upon him…"

177. Those words of wisdom are as relevant today as they were then over one hundred years ago. Through our individual toil and labour, we have it in us to reach our collective goal of national greatness.

178. Let us therefore face the future with confidence and determination; determination to lift our nation to greater heights; determination to perform our various roles with diligence, however humble they might appear; and determination to use our current achievements as stepping-stones towards prosperity and greater success.

179. I ask you all to reflect upon and take pride in the achievements I have described; they are the product of our collective effort. Let us jealously guard against any regressive tendencies and secure our richly deserved place in the league of successful nations.

180. Let us accept that resolution of some of the national problems demands that we rally together as a united and proud nation. With our collective might and determination, we can level the stumbling blocks and mountain of challenges that stand in our way to greater success.

181. I ask you all to stay out of danger and reflect upon the destructive consequences of HIV/AIDS. We have lost far too many of our loved ones to the dreadful disease.

182. The time has come for us to say; no more HIV deaths; no more social aberrations of children heading households because their parents have been taken by HIV/AIDS; no more distressing scenes of grandmothers resuming household chores and raising grandchildren because their parents have succumbed to HIV/AIDS.

183. We must resume in every household, our traditional family order, where children are nurtured with tender loving care until their maturity; where grandparents are gracefully retired into old age and nursed with affection as fountains of love and wisdom.

184. As I prepare to leave office, let me ask that we take a firm stand against all the negative tendencies that are creeping into our society and defacing our image. While it is for the courts to determine the circumstances of every case, the brutal murders of defenceless women need not be routinely labelled by our media, as passion killings or the so–called "*dipolaano tsa marato*", as though the victims acquiesced in the brutal acts against themselves. Past generations loved their partners with passion too, but rarely resorted to taking lives when misunderstandings arose.

185. I leave office fully confident that our society is united in its desire to correct the mistakes of the past by achieving full gender equality. Our women in positions of authority have more than proved their worth. Their outstanding service to our nation more than proves the validity of our women's demand for equality; our value system as a democracy demands gender equality, and the march of social progress and development dictate, that we achieve gender equality in haste. I am confident, that the pursuit of gender equality will continue to receive priority as the policy of the ruling party and its administration.

186. To our youth, my message is contained in the words of Theodore Roosevelt, from which I quoted earlier on. Do not shirk difficulties but endeavour to overcome them; do not seek a life of ease but wrest your triumph from toil and risk. You are the flowers of our nation and must maintain your blossom through healthy lifestyles.

187. Your outstanding record of achievements in education, in sport, arts and other pursuits gives us confidence that we have in you a talented generation and the seed for a better tomorrow. While Government will continue to find ways of addressing the challenge of youth unemployment, let me remind you, that as the most educated and skilled generation in our history, you are better equipped to earn a living than if you had no education.

188. Mr. Speaker, the achievements our country has registered over the last ten years of my administration would not have been possible without the firm foundation of values, principles and commitment, which was laid by my predecessors, Sir Seretse Khama and Sir Ketumile Masire. I thank and pay special tribute to those great compatriots for the inspiration they left me and our successive generations.

189. Last but by no means least, let me pay tribute to every citizen, young and old, for choosing to make our country what it is today, a country that has chosen the path of peaceful political contest over conflict, progress over regression; a country with a rich democratic political tradition and something positive to demonstrate and contribute to the rest of the world. Whatever our challenges, ours is a land of hope and promise. May the Almighty God bless our Nation.

190. I thank you and wish all of you good health and prosperity.